

DELAWARE AND HUDSON RAILWAY
COMPANY

SPECIAL INAUGURAL TRAIN

BINGHAMTON TO SCRANTON



OCTOBER 8, 1980

WELCOME

Welcome aboard the D&H Special Inaugural Train on which we celebrate the reestablishment of through freight service on the former DL&W line between Binghamton and Scranton. This is a special moment for the Delaware and Hudson Railway Company representing, as it does, an important step forward in our efforts to achieve a restructured rail system providing reliable, alternative rail service to the public in the Northeast.

The properties which we dedicate to D&H operations today were acquired from Consolidated Railroad Corporation (Conrail), but previously were part of the Delaware, Lackawanna and Western Railroad. The acquisition includes about 58 miles of the mainline between Binghamton, NY, and Scranton, PA, yard properties at East Binghamton and Scranton (Taylor Yard) and about two miles of the former Bloomsburg Branch of the DL&W from Bridge "60" in Scranton to the south end of Taylor Yard.

Because of the excellent operating characteristics of the DL&W line, D&H will reroute its through freight operations from the existing line over Ararat Mountain to the DL&W. D&H will continue to provide local service Scranton to Carbondale. The Company will also keep its line from Lanesboro to Nineveh as its "clearance" route.

The lines over which you travel today have a rich history intertwined with the early settlement and economic development of this region. The D&H has been a part of that development from the start and is the only rail survivor with its original identity still intact. We are proud of that fact, but, more important, we look forward to our future growth into a strong, financially-healthy regional railroad.

HISTORICAL PERSPECTIVE

The D&H had its beginning as a canal company in 1823 formed to transport the abundant deposits of anthracite coal in the Carbondale area. By means of an inclined-plane (gravity) railway and a canal operation, where mules laboriously hauled coal-laden barges, the company transported coal to Kingston, NY, on the Hudson River. River steamers then moved the coal to various markets, but particularly to the New York City area.

Southwest of Carbondale, the small locality of Deep Hollow began to thrive on the grist mills and smith shops of the Slocum family and accordingly became known as Slocum Farm. In the 1840's, after the arrival of the George W. Scranton family, iron blast furnaces and a rail rolling mill were developed, the forerunner companies of Bethlehem Steel Corporation. Renamed Scranton and then Scranton, the city rose to the position of the third largest city in Pennsylvania.

Growth in the area was aided not only by coal deposits but by the power derived from the fast-flowing Lackawanna River whose headwaters begin near Ararat, PA, and flow south through Carbondale and Scranton to Wilkes-Barre where it flows into the Susquehanna River. Along this same route was subsequently built what is now the D&H railway.

DEVELOPING RAIL LINES

During the mid-1800's rail lines were being constructed in all directions as entrepreneurs and promoters sought a share of Philadelphia and New York City markets. Emerging western markets also beckoned to George Scranton who was the driving force in the 1851 opening of The Liggett's Gap Rail Road. Renamed the Lackawanna and Western, the line ran between Scranton and Great Bend where it was able to connect with the Erie Railroad and its route west. Constructed of 56 lb./yard T-rail laid to the Erie's 6-foot gauge, directly on hemlock ties, the line commenced with an ascent out of Scranton, rising 500 feet to Clark's Summit, descending to Ark Swamp and rising again to the 2250-foot Tunkannock Tunnel. A descent to Tunkannock Creek at Nicholson brought the railroad to Martins Creek which it paralleled for 19 miles to the watershed at New Milford. The railroad continued north to Hallstead where it crossed the Susquehanna River on a 600-foot truss bridge to connect with the Erie at Great Bend.

Intensifying rail competition, designs on markets of the Northeast as well as the West, and the completion of the Albany and Susquehanna Railroad from Albany to Binghamton, NY, inspired Moses Taylor of the Valley Railroad Company to open in 1870 an extension linking the Lackawanna & Western at Hallstead with Binghamton.

By 1870 Scranton, with a population of about 50,000, was becoming an important manufacturing and mining center while Binghamton, with about 15,000, was becoming an important transportation center. In addition to the Susquehanna and Chenango Rivers, and their connecting canals, Binghamton had four railroads, the Erie, the Lackawanna, the D&H and the Greene Railroad.

D&H EXPANSION

George Scranton had not been alone in his evaluation of business opportunities to the North and West. During the Civil War, the Delaware and Hudson managers had approached both the Erie Railroad and the Jefferson Railroad (a "paper" railroad without any track as yet) about access north from Carbondale to the Erie line, with the thought of achieving a connection at Binghamton with its soon-to-be subsidiary, the Albany and Susquehanna Railroad (A&S). The completion of the A&S from Albany to Binghamton had been due in large measure to financial underpinning by the D&H organization.

In 1869, under the Jefferson Railroad Company charter, construction of a new rail line was begun by the Erie Railroad, following, between Carbondale and Jefferson Junction, a survey prepared by the Northern Coal and Iron Company (a D&H subsidiary) and financed, in a convoluted manner, by the D&H itself. On October 28, 1870, the first D&H train exercised its trackage rights over the Erie's new line.

This new line followed the Lackawanna River, rising 915 feet to a summit at Ararat. Twisting downward to evade a direct but steep descent, it proceeded along Starrucca Creek to Lanesboro Junction on the Susquehanna River.

One good idea begets another and by December, 1871, a cut-off or short-cut route to the north (The Lackawanna & Susquehanna Railroad "Easy Line") was opened. The new line followed the Susquehanna Valley from Jefferson Junction, near the Erie Main, to Nineveh on the Albany and Susquehanna Railroad, now a D&H subsidiary. This extension eliminated 27 miles and the A&S Belden Hill grade from the coal route north.

The Jefferson Branch and the new cut-off were laid with three rails so that both 6-foot gauge (Erie) and the increasingly-popular 4'-8½" gauge (D&H) equipment could operate. By 1872, the A&S had completed the addition of the 4'-8½" (or standard) gauge to its line. The DL&W to the West opted for a massive one-day change-over, with countless gangs of men moving one rail on every track to the closer position.

Prosperity shone on both DL&W and D&H. In the 1880's and '90's extensions and acquisitions fleshed out the two systems. Low-grade line improvements based upon new construction technology issued forth from the railroad managements in the 1900's to 1920's.

The D&H concentrated on its Nineveh-to-Albany line, since only an impractical multi-mile tunnel could improve the Jefferson Railroad whose ownership belonged to the Erie anyway.

CONSTRUCTION OF TODAY'S ROUTE

The DL&W had a pair of valleys (Ark Swamp and Martins Creek) on its route between Binghamton and Scranton which it sought to avoid by building a new line on the paralleling ridges above. This new design, however, called for a pair of massive viaducts and a new tunnel, the statistics and costs of which set world records at the time. Fresh from the engineering triumph of its New Jersey cut-off in 1980 and flush with operating profits, the DL&W initiated construction of the newly-engineered line in 1912. It is this rail line which the D&H Inaugural Train is reopening today.

By 1915, 39.6 miles of railroad from Clark's Summit to Hallstead had been rebuilt to new standards, eliminating 3.6 miles of the previous length. Curvature had been reduced from 6 to 3 degrees, the eastbound grade had been reduced from 1.23% to 0.68% (the westbound grade was unimprovable: Scranton to Clark's Summit), and total rise-and-fall had been reduced from 553 feet to 226 feet. The roadbed varied from 2-track to primarily 3-and 4-track widths.

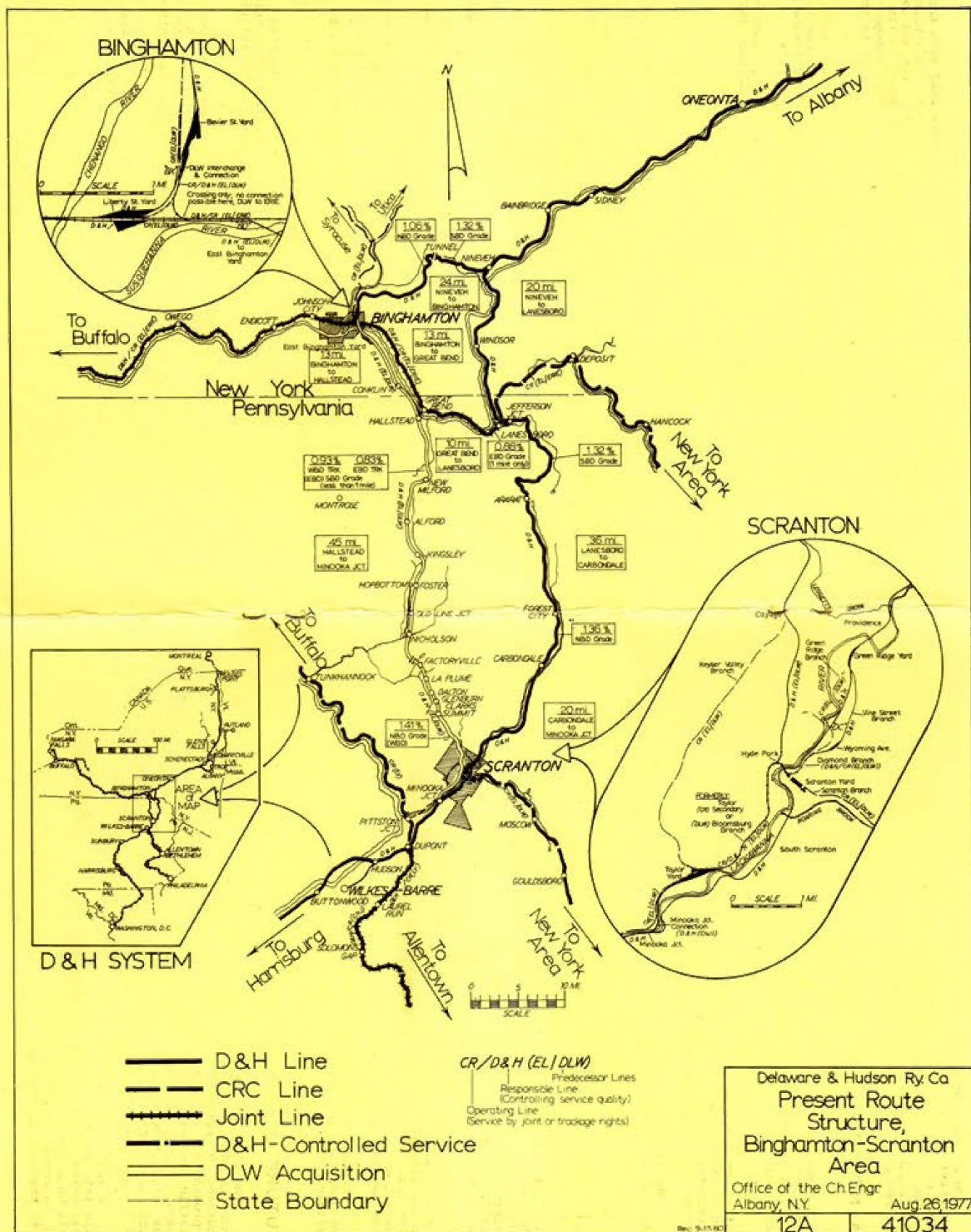
The 3-track Kingsley Viaduct is exceeded in concrete railroad structures only by the 2-track Tunkhannock Creek (or Nicholson) viaduct. This latter, beautiful structure received world recognition for its superlatives: 2375 feet long, track level 240 feet above Tunkhannock Creek, and 10 arches each spanning 180 feet.

RAIL DECLINE

This improved line was central to the fortunes of the DL&W until the decline of coal in the 1950's. With the erosion of this traffic base, both DL&W and the D&H emphasized merchandise traffic and accelerated plant and operating economies.

The D&H purchased the Carbondale-to-Jefferson Junction route from the Erie in 1955 and rationalized it down to single track with second-track segments, matching its policy elsewhere. The DL&W chose merger, in 1960, with the Erie to eliminate duplicative lines and facilities.

Between 1960 and 1976, the Scranton-Binghamton line witnessed famine and feast while traffic was alternated between old Erie and old DL&W lines by the Erie-Lackawanna (EL) management.



On July 1, 1968, both EL and D&H came under the Dereco, Inc., "umbrella" of the Norfolk and Western Railway Company, as an ICC-mandated reaction to the merger of the Pennsylvania Railroad with the New York Central Railroad (Penn Central). Soon thereafter the EL entered bankruptcy in 1972 and was subsequently folded into the new government-formed corporation, Conrail.

A NEW RAIL AGE - ADVENT OF CONRAIL

In 1976, the Consolidated Rail Corporation (Conrail) was created by a government agency, the United States Railway Association, by combining the D&H's prime competitor, the Penn Central, with the D&H's major friendly connections, the EL, the Lehigh Valley, the Reading and Central of New Jersey Railroads.

At the same time, in order to preserve Congressionally-mandated rail competition in the Northeast, the USRA expanded D&H to double its original size via trackage rights over Conrail extending from proprietary D&H lines to physical connections south, east and west beyond the Lackawanna Valley.

The D&H was extended to Buffalo, Newark, Allentown, Philadelphia, Harrisburg, and Washington, DC. Although, as said, the express goal of this extension was preservation of competitive rail service in the Northeast, the plan unfortunately had to be drawn together in three weeks by federal planners who were faced with the last minute withdrawal of the Chessie System from the initial federally-recommended Northeast rail plan.

Because of flaws in that extension plan, the D&H's financial viability has been in question for several years. Accordingly, the company has developed a series of strategic recommendations for physical route restructuring, plant rehabilitation and improved market access in order to forge a new company which will be financially healthy and serve the rail transportation needs of the public in the Northeast.

As much of D&H's future traffic growth is projected to be along the Binghamton-Scranton rail axis, the Company evaluated early the possibility of using the superior operating route of the former DL&W line. In contrast to projected D&H growth through this area, Conrail was retrenching and had removed the DL&W route from main line service, although continuing to provide local service.

In early September of 1980 the D&H and Conrail agreed to transfer operation and ownership of this line to the Delaware and Hudson Railway Company.

FUTURE USE OF DL&W LINE

The plan for the future use and integration of the DL&W line into the D&H system is still being refined. Local service will be upgraded in frequency for those customers requiring such service. Approximately eight through freights daily will ply the rails and traffic projections suggest a sizable increase in the next ten years. During the same period, the yards at Taylor (Scranton) and East Binghamton are expected to assume greater importance as the work they perform can benefit all other system yards and terminals to a higher degree than existing facilities in those areas.

A look at the enclosed map reveals how readily the new line fits into D&H structure. The line will enable D&H to produce lower cost transportation and better service. Reduced grades particularly will be helpful in significantly lowering D&H's fuel costs. Due to the excellent engineering of the new route D&H through trains will traverse 40 fewer grade crossings.

Although the line is superbly engineered, it has been essentially out of service for two years. Accordingly, for the first few months the line will be operated in an interim fashion while immediate needed maintenance of way work can be completed. Through trains will operate southbound on the new line while northbound through trains continue to operate on the existing D&H line. Once the initial maintenance work is complete it will take further time to properly integrate the line fully into the D&H system.

The D&H has applied to the Federal Railroad Administration for about \$8 million in financing to rehabilitate the line and its rail classification yards. Ultimately, with the installation of a two-way modern traffic control system and rationalization of the line with high-speed passing sidings, the line will have sufficient capacity to handle all rail growth in the foreseeable future.

The railroad is hopeful that important and useful tracts of land adjacent to the rail system may be used to attract new industry benefiting the local economy and the railway.

D&H is most pleased that a line so rich in historical significance fits so well into its plans to provide service consistent with the needs of tomorrow's transportation.

DELAWARE AND HUDSON RAILWAY COMPANY

New York/Pennsylvania State Line Ceremony

October 8, 1980

Program Order:

Welcoming Remarks and
Introduction of Guests

- Kent Shoemaker, President of
the Delaware and Hudson

Guest Speakers

- The Honorable Warren Anderson,
Majority Leader, NY State
Senate
- Louis Rossi, Director Rail
Division, New York State
Department of Transportation
- The Honorable Thomas Larson,
Secretary of Transportation -
Commonwealth of Pennsylvania
- John Sullivan, Administrator
of the Federal Railroad
Administration
- The Honorable Joseph McDade,
Congressman from Pennsylvania

Retirement Award Presentation

- The Honorable James Hanley,
Congressman from New York

Champagne Inauguration of Route - Mrs. Mary Scranton

STATIONS AND MILEAGES

BINGHAMTON TO MINOOKA JCT.

<u>M.P.</u>	<u>Distance from Binghamton</u>	<u>Location</u>
191.7	0	Binghamton
189.0	2.7	East Binghamton Yard
185.0	6.7	Conklin Center
182.5	9.2	Conklin
180.2	11.5	NY-PA State Line
177.6	14.1	Hallstead
171.7	20.0	New Milford
165.4	26.3	Alford
161.9	29.8	Kingsley
160.75	31.0	Kingsley or Martins Creek Viaduct
157.6	34.1	Foster
155.0	36.7	Old Line Jct.
152.1	39.6	Nicholson
151.76	39.9	Nicholson or Tunkahannock Creek Viaduct
149.35	42.4	Factoryville or Nicholson Tunnel
148.3	43.4	Factoryville
146.0	45.7	LaPlume
144.1	47.6	Dalton
143.1	48.6	Glenburn
140.6	51.1	Clark's Summit
136.3	55.4	Cayuga Jct.
134.0	57.7	"Bridge 60", Scranton
136.7	60.6	Taylor Yard
137.5	61.4	Minooka Jct. or "MJ" Cabin

MINOOKA JCT. TO LANESBORO

<u>M.P.</u>	<u>Distance from Minooka Jct.</u>	<u>Location</u>
196.9	0	Minooka Jct. or "MJ" Cabin
194.3	2.6	South Scranton
192.4	4.5	Carbon Street Jct.
191.4	5.5	Green Ridge Yard
190.6	6.3	Providence
188.6	8.3	Dickson City
188.2	8.7	Valley Jct.
187.1	9.8	Olyphant
185.6	11.3	Jessup-Peckville
183.1	13.8	Archbald
180.9	16.0	Jermyn
179.6	17.3	Mayfield
177.4	19.5	Lookout Jct.
177.0	19.9	Carbondale
170.1	26.8	Forest City
164.0	32.9	Uniondale
163.0	33.9	Herrick Center
160.0	36.9	Burnwood
156.3	40.6	Ararat
151.7	45.2	Thompson
148.88	48.0	Starrucca Creek Viaduct-D&H
148.4	48.5	Starrucca
142.7	54.2	Stevens Point
141.5	55.4	Brandt
140.7	56.2	Jefferson Jct.
138.7	57.7	Lanesboro (and Starrucca Creek Viaduct-Erie)

